

***Enid Regional Development Alliance, Inc.***  
***Enid, Oklahoma***

***REPORT ON AUDIT OF FINANCIAL STATEMENTS***

***For the Year Ended June 30, 2022***

***SAUNDERS & ASSOCIATES, PLLC***  
***Certified Public Accountants***

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ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

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June 30, 2022

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# *Saunders & Associates, PLLC*

## *Certified Public Accountants*

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630 East 17<sup>th</sup> Street \* P. O. Box 1406 \* Ada, Oklahoma 74820 \* (580) 332-8548 \* FAX: (580) 332-2272

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Enid Regional Development Alliance, Inc.

#### **Opinion**

We have audited the accompanying financial statements of Enid Regional Development Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Enid Regional Development Alliance, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Enid Regional Development Alliance, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Enid Regional Development Alliance, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Enid Regional Development Alliance, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Enid Regional Development Alliance, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

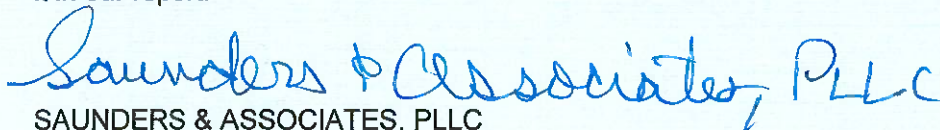
#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2022 on our consideration of Enid Regional Development Alliance, Inc.'s internal control over financial reporting and on our test of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of Enid Regional Development Alliance, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Enid Regional Development Alliance, Inc.'s internal control over financial reporting and compliance.

#### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

  
SAUNDERS & ASSOCIATES, PLLC  
Certified Public Accountants  
Ada, Oklahoma

December 8, 2022

## FINANCIAL STATEMENTS

ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

STATEMENT OF FINANCIAL POSITION

June 30, 2022

ASSETS

Cash and Cash Equivalents	\$ 371,442
Receivables:	
Membership Dues	1,500
Loans and Notes Receivable	156,478
Other	0
Investments	250,000
Fixed Assets, Net of Accumulated Depreciation	<u>86,919</u>

TOTAL ASSETS	\$ <u>866,339</u>
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LIABILITIES AND NET ASSETS

Accounts Payable	\$ 500
Accrued Expenses	4,537
Accrued Compensated Absences	4,756
Deferred Revenue	<u>5,000</u>
Total Liabilities	<u>14,793</u>

NET ASSETS

Without Donor Restrictions	851,546
With Donor Restrictions	<u>0</u>
Total Net Assets	<u>851,546</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u>866,339</u>
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\* The accompanying notes are an integral part of the financial statements

ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

	Without Donor Resstrictions	With Donor Resstrictions	Total
<u>Revenue and Support</u>			
City of Enid	\$ 600,000	\$ 0	\$ 600,000
Garfield County Industrial Authority	30,000	0	30,000
Grant Revenue	0	31,598	31,598
Memberships	61,975	0	61,975
Enid Young Professionals	10,600	0	10,600
Other	12,680	0	12,680
Net Assets Released From Retrictions:			
Satisfaction of Program Requirements	31,598	(31,598)	0
 Total Revenue and Support	 746,853	 0	 746,853
<u>Expenses</u>			
Business Recruitment & Development	416,547	0	416,547
Enid Young Professionals	9,034	0	9,034
General and Administrative	523,961	0	523,961
Total Expenses	949,542	0	949,542
 Change in Net Assets Before Other Income and Expense	 (202,689)	 0	 (202,689)
<u>Other Income and Expense</u>			
Interest Income - Bank	775	0	775
Interest Income - Notes	4,442	0	4,442
Write Off - Venture Capital Project	(150,000)	0	(150,000)
Debt Forgiveness	42,422	0	42,422
Total Other Income and Expense	(102,361)	0	(102,361)
 Change in Net Assets	 (305,050)	 0	 (305,050)
Net Assets, Beginning of Year	1,156,596	0	1,156,596
Net Assets, End of Year	\$ 851,546	\$ 0	\$ 851,546

\* The accompanying notes are an integral part of the financial statements.

ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	Business Recruitment and Development	General and Administrative	Enid Young Professionals	Totals
<b>EXPENSES</b>				
Salaries and Wages	\$ 0	\$ 236,761	\$ 0	\$ 236,761
Fringe Benefits	0	43,391	0	43,391
Payroll Taxes	0	19,216	0	19,216
Retirement	0	7,399	0	7,399
Total Salaries and Related Expenses	0	306,767	0	306,767
Incentive Awards/Grants	260,000	0	0	260,000
Small Business Support Grants	0	0	0	0
Micro Enterprise Grants	42,303	0	0	42,303
Scholarships	2,500	0	0	2,500
Entrepreneur Training	5,000	0	0	5,000
10<40 Banquet	0	0	9,034	9,034
Marketing and Advertising	48,565	0	0	48,565
Travel - Conferences and Promotional	53,179	0	0	53,179
Northwest Water Action Plan	5,000	0	0	5,000
Dues and Subscriptions	0	17,381	0	17,381
Consulting	0	64,650	0	64,650
Legal and Accounting Services	0	34,752	0	34,752
Meetings	0	14,943	0	14,943
Telecommunications	0	6,456	0	6,456
Rent	0	5,737	0	5,737
Office Supplies and Expenses	0	2,957	0	2,957
Postage	0	291	0	291
Insurance	0	1,920	0	1,920
Contract Labor	0	0	0	0
Talent Attraction	0	55,198	0	55,198
Medical Residency Program	0	0	0	0
Professional Development	0	244	0	244
Contributions	0	0	0	0
Bank Charges	0	564	0	564
Bad Debts	0	1,711	0	1,711
Depreciation	0	10,390	0	10,390
Total Expenses	\$ 416,547	\$ 523,961	\$ 9,034	\$ 949,542

\* The accompanying notes are an integral part of the financial statements.



ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in Net Assets	\$ (202,689)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	10,390
(Increase) Decrease in Membership Receivables	750
(Increase) Decrease in Other Receivables	5,500
Increase (Decrease) in Accounts Payable	(6,815)
Increase (Decrease) in Accrued Expenses	261
Increase (Decrease) in Deferred Revenue	5,000
Increase (Decrease) in Liability for Compensated Absences	<u>(9,859)</u>
Net Cash Provided (Used) by Operating Activities	<u>(197,462)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of Investments	(250,000)
Redemption of Investments	524,045
Interest on Investments	775
Acquisition of Fixed Assets	<u>(18,464)</u>
Net Cash Provided (Used) by Investing Activities	<u>256,356</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Loans Provided to Local Businesses	0
Interest Received on Notes	4,442
Principal Payments Received on Notes Receivable	<u>7,572</u>
Net Cash Provided (Used) by Financing Activities	<u>12,014</u>

Net Increase (Decrease) in Cash and Cash Equivalents 70,908

Cash and Cash Equivalents at Beginning of Year 300,534

Cash and Cash Equivalents at End of Year \$ 371,442

\* The accompanying notes are an integral part of the financial statements

ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

NOTE 1: NATURE OF ACTIVITIES

Enid Regional Development Alliance, Inc. (the "Alliance") is a not-for-profit organization under Section 501(c)(6) of the Internal Revenue Code, established to promote economic development and increase the economic prosperity of the Enid area.

The Alliance's mission is to promote the City of Enid to potential new industries, attract new industries, retain and expand the existing job base and provide capital to businesses seeking to expand or relocate to the Enid area.

Membership is divided into two classes; public and private members. Public memberships include the City of Enid and the Garfield County Industrial Authority. Private membership is restricted to individuals and businesses that have a business interest, reside, or conduct business in Garfield County, Oklahoma, in which Enid is located.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Alliance uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of when cash is received or expended. A receivable represents that portion of grant and contract revenues which the Alliance has earned and/or requested, but not received. With the exception of incentive payments, expenses incurred but not paid at year end are represented by a liability on the statement of financial position. Because of timing of claims for incentive payments, which may be calculated based on statistical reports issued by the state well after year end, incentive payments are recorded as expenses when paid. Net assets represent the cumulative excess of revenues recognized over expenses incurred. Temporarily restricted net assets are subject to recall or re-obligation at the discretion of granting agencies or being carried over to subsequent program years.

Basis of Presentation – The Alliance's financial statement presentation follows the Financial Accounting Standards Board ASU 2016-14, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Accordingly, net assets of the Alliance and changes therein are classified and reported as follows:

- Net assets with donor restrictions – net assets subject to donor imposed restrictions
- Net assets without donor restrictions – net assets not subject to donor-imposed restrictions

Recognition of Donor Restrictions – Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or other events specified by donors. The Alliance had no net assets with donor restrictions in the fiscal year ended June 30, 2022.

ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cash and Cash Equivalents – The Alliance considers all cash and highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. At June 30, 2022, cash and cash equivalents consisted of demand deposits with a book value of \$371,442. The Alliance also has investments in the form of a CD with a book value of \$250,000 at June 30, 2022. The level of risk associated with these deposits is as noted below.

<u>Category</u>	<u>Per Bank</u>
1) Insured or collateralized with securities held by the organization or by its agent in the organization's name.	\$ 710,196
2) Collateralized with securities held by the pledging financial institution's trust department.	0
3) Uncollateralized	53
TOTAL	<u>\$ 710,249</u>

Significant Concentrations – The Alliance has the following concentrations:

- (1) Custodial credit risk – Custodial credit risk is the risk that, in the event of failure of the financial institution, ERDA would not be able to recover the value of its deposits in excess of FDIC coverage that are in the possession of the outside party. At June 30, 2022, ERDA had deposits totaling \$53 which were not insured or collateralized.
- (2) Support from the City of Enid represents approximately 80% of the Alliance's total revenues and support in 2022.

Use of Estimates – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, and net assets, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Loans and Notes Receivable – Loans and notes receivable are stated at the amount of unpaid principal. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. Loans are considered to be delinquent when payments are 30 days past due.

The Alliance uses the direct write-off method for writing off bad debts once a receivable has been determined by the Board to be uncollectible. In the fiscal year ended June 30, 2022, the Alliance had no bad debt expense related to loans and notes receivable. Management is of the opinion that although some notes may be delinquent, all of the notes receivable are fully collectible and no allowance account has been established.

Capital Assets – The Alliance capitalizes property and equipment costing over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost, while donations of property and equipment are recorded as contributions at their estimated fair market value. Assets purchased with grant funds with explicit restrictions regarding their use are recorded as temporarily restricted. These assets are reclassified to unrestricted as the value of the asset is depreciated or used. Property and equipment are depreciated using the straight-line method over the estimated useful lives ranging from five to seven years.

ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Tax Status – The Alliance qualifies as an organization exempt from income taxes under Section 501(c)(6) of the *Internal Revenue Code*. As such, no provision has been made for federal or state income taxes. The Alliance is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Contributions – The Alliance reports contributions of cash and other assets as support *with donor restrictions* if they are received with stipulations that limit the use of the contributed assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to *net assets without donor restrictions* and reported in the statement of activities as net assets released from restriction.

Functional Expenses – Expenses are allocated between business recruitment and development, general and administrative, and Enid Young Professionals based upon either actual usage or the estimated cost attributable to each function. Business recruitment and development expenses are costs associated with attracting new industries, retaining and growing the existing job base and providing capital to businesses seeking to expand or relocate to the Enid area. Enid Young Professional expenses are costs related to development and training of young professionals in the Enid area to become future leaders in the community.

NOTE 3: INVESTMENTS

The Alliance maintained funds in a Wealth Management Account, a money market investment account, at Stride Bank. All assets in the account consisted of money market funds. This account was closed in June 2022.

The Alliance maintains funds in a certificate of deposit at NBC Bank with an original maturity date of May 4, 2023. The balance at June 30, 2022 was \$250,000.

NOTE 4: OTHER ASSETS

In September 2011, the Alliance entered into an agreement to invest \$150,000 in a venture capital project headed by a regional developer. This investment was used to fund a feasibility study for the development of a bio-jet fuel refinery in the City of Enid. In exchange for this investment, subject to the completion of the project, the Alliance will receive a 60% return on its investment funding and a 25% equity ownership of the project, among other benefits. The feasibility study was completed during the year ended June 30, 2012. Based upon the results of the feasibility study, the investors in the project are currently seeking to secure \$25 million of capital for the next phase of the project. This investment was written off during the fiscal year ending June 30, 2022.

ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

NOTE 5: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Alliance's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions or board mandated restriction within one year of the statement of financial position date. Donor-restricted resources are available to support general expenditures to the extent that restrictions on those resources will be met by conducting the normal activities of the Alliance in the coming year.

Financial assets at year end	\$ 779,420
Less those unavailable for general expenditures within one year:	
Notes Receivable - Non-current portion	( 148,737)
Financial assets available to meet cash needs for general expenditures within one year	\$ 630,683

As part of the Alliance's liquidity management, it invests cash in excess of daily requirements in a money market wealth management account or certificates of deposit.

NOTE 6: RECEIVABLES

Loans and Notes – Loans are provided by the Alliance to businesses that are starting or expanding operations in Garfield County through the Grow Enid loan program or directly to businesses.

In October 2018, the Alliance entered into a participation loan with a local lender to share risk and assist with the administration of a loan to Enid Brewing Co. The Alliance holds a 24.6% participation interest in the loan which matures October 17, 2025. The loan has a variable interest rate which is currently 5.5%. At June 30, 2022, the loan had an outstanding balance of \$32,856.

In October 2020, the Alliance entered into a loan agreement with the Bee Line Heating & Air, LLC. This loan was in the amount of \$25,000, at 10% interest for 15 years, with a 5 year balloon payment. At June 30, 2022 this loan had an outstanding balance of \$23,622.

In May 2021, the Alliance entered into a \$100,000 loan agreement with Veerlakshmi, LLC. Funds are to be used for enhancements to the local Best Western Glo Hotel. Under terms of the agreement, this loan will be forgiven once 4% of quarterly hotel tax collections exceeds \$100,000. At June 30, 2022, this loan had an outstanding balance of \$100,000.

Activity for loans and notes receivable for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Written Off	Ending Balance
Loans and Notes Receivable	\$ 164,050	\$ 0	\$ ( 7,572)	\$ 0	\$ 156,478

ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

NOTE 7: FIXED ASSETS – The Alliance’s fixed assets as of June 30, 2022, were as follows:

	<u>Balance</u> <u>06/30/21</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>06/30/22</u>
Capital Assets Being Depreciated:				
Office Furniture and Equipment	\$ 129,997	\$ 18,464	\$( 3,880)	\$ 144,581
Accumulated Depreciation:				
Office Furniture and Equipment	( 51,152)	( 10,390)	3,880	( 57,662)
Net Capital Assets	\$ 78,845	\$ 8,074	\$ 0	\$ 86,919

NOTE 8: FRINGE BENEFITS

ERDA provides the following benefits to its employees:

Employees with less than three years of service earn PTO (paid time off) at a rate of 80 hours per year. Upon completion of three years of continual service, employees can earn PTO at a rate of 120 hours per year. At June 30 of each fiscal year, employees are allowed to carry over 40 hours of PTO; any hours earned and not used as of that date are lost. Upon termination, employees are paid for PTO accrued at that time. The liability for accrued compensated absences at June 30, 2022 equaled \$4,756.

The organization also provides employees with a short-term disability and \$15,000 life insurance policy as part of their benefit package.

NOTE 9: LONG-TERM DEBT

In February 2020, the Alliance applied for and was awarded a loan from the Small Business Administration under the Paycheck Protection Program, which was authorized by the CARES Act. This loan was in the amount of \$42,422 and, in accordance with the terms of the agreement, all principal and interest was forgiven on August 19, 2021.

NOTE 10: EMPLOYEE PENSION PLAN

Plan Description – The Alliance adopted a pension plan for its full time employees in the form of a SIMPLE IRA plan (the “Plan”) in accordance with the *Internal Revenue Code*.

Employees are eligible to contribute on their first day of employment. Participants must elect to contribute at least 1% of their salary to the plan on a pretax basis in order to receive the Alliance’s matching contribution. Participants contribute at least 1% of compensation up to an annual maximum of \$17,500, and the Alliance matches the participant’s contribution up to 3% of compensation. During the year ended June 30, 2022, contributions made by the Alliance totaled \$7,399.



ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

**NOTE 11: LEASES**

The Alliance is party to two leasing agreements.

- 1) A one year lease for office space. Monthly payments of \$478 are due on the first of the month. Lease term is July 1, 2021 to June 30, 2022.
- 2) During FY'21 the Alliance applied for and was awarded a grant from the U.S. Department of Agriculture to assist Enterprise Grain in obtaining modernized bagging equipment. The equipment was purchased by the Alliance for the amount of \$79,861 and then leased to Enterprise Grain for a 5 year period at \$102.31 per month. Upon completion of the 5 year lease, Enterprise Grain is to pay the Alliance \$10.00 and ownership of the equipment will be transferred to Enterprise Grain. The present value of the total amounts to be received by the Alliance is \$5,954.

**NOTE 12: COMMITMENTS AND CONTINGENCIES**

Incentives: The Alliance has made commitments to several businesses as part of economic development incentives whereby the Alliance will pay to the companies an incentive payment if the companies meet certain benchmarks each year for a specified number of years, as follows:

Entity	Date	Date	Incentive	Total Payments Through 06/30/21	Total Payments in current Fiscal Year	Total Payments Through 06/30/22	Expiration/ Termination of Contact	Balance of Commitment
Bricktown Brewery	Mar-21	June-23	\$ 100,000	\$ 50,000	\$ 50,000	\$ 100,000	\$ 0	\$ 0
No Man's Land	May-20	May-22	500,000	150,000	200,000	350,000	0	150,000
Totals			<u>\$ 600,000</u>	<u>\$ 200,000</u>	<u>\$ 250,000</u>	<u>\$ 450,000</u>	<u>\$ 0</u>	<u>\$ 150,000</u>

Other Grants: The Alliance awarded grants totaling \$127,700 to various local businesses during the fiscal year ended June 30, 2022. \$32,303 was expended on these grants during the current fiscal year and the Alliance is committed for \$95,397 as of June 30, 2022

**NOTE 13: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 8, 2022, which is the date the financial statements were available to be issued.

# *Saunders & Associates, PLLC*

## *Certified Public Accountants*

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630 East 17<sup>th</sup> Street \* P. O. Box 1406 \* Ada, Oklahoma 74820 \* (580) 332-8548 \* FAX: (580) 332-2272

### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Enid Regional Development Alliance, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Enid Regional Development Alliance, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2022.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Enid Regional Development Alliance, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Enid Regional Development Alliance, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Enid Regional Development Alliance, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Enid Regional Development Alliance, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

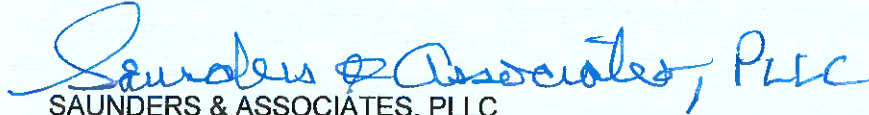
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Enid Regional Development Alliance, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Enid Regional Development Alliance, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Enid Regional Development Alliance, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Saunders & Associates, PLLC". The signature is stylized and cursive.

SAUNDERS & ASSOCIATES, PLLC  
Certified Public Accountants  
Ada, Oklahoma

December 8, 2022

ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

STATUS OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2022

None reported.

ENID REGIONAL DEVELOPMENT ALLIANCE, INC.  
Enid, Oklahoma

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2022

None reported.